JUL 18 1999 INSEPM FISHERIPHILLIPS DEP 6505800085

SPEECH FOR WOODARD CHEVROLET

READ TO the SATURN OF MARIN TECHS

I JUST GOT WORD THAT SOME OF OUR SERVICE DEPARTMENT EMPLOYEES MAY HAVE SOME POSSIBLE INTEREST IN HAVING THE MACHINISTS UNION IN HERE AT OUT STORE. LET ME STATE RIGHT AT THE OUTSET THAT I HAVE ALREADY CHATTED WITH MR. WOODARD ON THIS SUBJECT AND HE AND I BOTH STRONGLY AGREE THAT A UNION IS NOT IN THE BEST INTERESTS OF OUR EMPLOYEES OR THE DEALERSHIP. WE BOTH BELIEVE THAT WE CAN COMMUNICATE HONESTLY AND DIRECTLY WITH ONE ANOTHER FAR BETTER WITHOUT A UNION. I AM PARTICULARLY CONCERNED THAT YOU BELIEVE THAT YOU NEED AN OUTSIDER TO SPEAK FOR YOU AND THAT YOU AND I WILL BE PREVENTED FROM SPEAKING HONESTLY ABOUT ANY ISSUES THAT YOU HAVE AT THIS DEALERSHIP.

I AM VERY CONCERNED THAT SOME OF YOU MAY NOT KNOW WHAT A UNION REALLY IS ALL ABOUT. SINCE THE MACHINIST UNION PREY ON UNINFORMED EMPLOYEES. WE ARE CONCERNED THAT YOU GET ALL THE FACTS BEFORE YOU MAKE A DECISION AND GET INTO BED WITH THIS UNION.

UNFORTUNATELY, SOME EMPLOYEES HAVE HAD TO LEARN THE HARD WAY WHAT UNIONS ARE ALL ABOUT. THE UNIONS COME IN LIKE THEY ARE SANTA CLAUS AND END UP BEING THE GRINCH. THE REASON ALL OF YOU ARE IN THIS MEETING IS THAT I WANT TO MAKE SURE YOU HAVE SOME INFORMATION BEFORE YOU GET TO FAR DOWN A ROAD YOU MAY WISH YOU NEVER GOT ONTO. I HAVE WORKED IN UNION SHOPS AND I CAN TELL YOU THAT WE ARE ALL MUCH BETTER OFF WITHOUT THIS UNION.

FIRST, I AM NOT SURE IF YOU KNOW THIS, BUT THERE ARE VERY FEW DEALERSHIPS IN THIS AREA THAT ARE REPRESENTED BY A UNION. THIS UNION HAS LOST SO MANY MEMBERS IN RECENT YEARS THAT THEY ARE DESPERATELY TRYING TO GET NEW MEMBERS.

I WANT YOU TO UNDERSTAND THAT THESE ARE SHARK INFESTED WATERS. THIS WHOLE SITUATION INVOLVES A LOT OF LEGAL MANEUVERING AND LAWS AND I WANT TO MAKE SURE THAT YOU RECOGNIZE WHAT YOU MAY BE GETTING INTO AND WHAT THE LAW IS IN THIS AREA.

FOR EXAMPLE, THE FIRST THING THAT A UNION MAY ASK YOU TO DO IS SIGN A UNION AUTHORIZATION CARD OR A PETITION OF SOME SORT. BE SURE TO READ WHAT YOU MAY BE ASKED TO SIGN? THE SMALL PRINT OFTEN STATES THAT WHEN YOU SIGN YOU ARE DESIGNATING THE MACHINISTS TO BE YOUR REPRESENTATIVE FOR PURPOSES OF COLLECTIVE BARGAINING. THIS MEANS YOU ARE TURNING YOUR JOB AND YOUR LIVELIHOOD OVER TO A GROUP THAT YOU MAY KNOW VERY LITTLE ABOUT.

SIGNING A UNION CARD OR A PETITION IS NO DIFFERENT THAN SIGNING A BLANK CHECK. BY SIGNING, YOU ARE SAYING THAT YOU NO LONGER WANT TO DEAL DIRECTLY WITH THE COMPANY, INSTEAD YOU WANT EVERYTHING TURNED OVER TO THE UNION.

WOULD YOU SIGN A BLANK CHECK AND GIVE IT TO A STRANGER AND LET THEM FILL IN THE AMOUNT? THAT IS EXACTLY WHAT SOME OF YOU MAY HAVE DONE.

DURING THE NEXT FEW MINUTES I'M GOING TO TRY TO GIVE YOU SOME INFORMATION ABOUT UNIONS AND WHAT BELONGING TO A UNION REALLY MEANS. BRINGING A UNION IN HERE AFFECTS EVERYONE HERE AND IS ONE OF THE MOST IMPORTANT DECISIONS YOU WILL MAKE IN YOUR WORK LIFE. DECIDING ON WHETHER YOU WANT A UNION TO REPRESENT YOU IS NO DIFFERENT THAN MAKING A DECISION REGARDING BUYING A CAR OR A HOUSE OR SOME OTHER PRODUCT OR SERVICE. IF YOU DECIDE YOU WANT TO BUY SOMETHING, YOU ALWAYS ASK TWO QUESTIONS. ONE, HOW MUCH WILL IT COST? AND TWO, WHAT ARE THE GUARANTEES OR ARE THERE ANY WARRANTIES?

ACCORDING TO DOCUMENTS FILED WITH THE FEDERAL GOVERNMENT, UNION DUES GENERALLY RANGE AROUND \$45.00 PER MONTH. IN ADDITION, THEY CAN CHARGE AN INITIATION FEE

FROM \$25.00 TO \$300.00. SO, IN ORDER TO BELONG TO THE UNION, IT WILL COST YOU ABOUT \$500 PER YEAR. PERHAPS THE UNION HAS OFFERED TO WAIVE THEIR INITIATION FEES-THIS SAYS SOMETHING ABOUT HOW MUCH THEY WANT YOU.

THE NEXT QUESTION IS, FOR YOUR MONEY, SAY \$500 PER YEAR WHAT CAN THE UNION GUARANTEE? WELL, LEGALLY THE UNION CAN GUARANTEE YOU ABSOLUTELY NOTHING. IF THE UNION IS VOTED IN, ALL THAT GIVES THEM THE RIGHT TO DO IS SIT DOWN AT THE BARGAINING TABLE. WHAT HAPPENS IS THAT THEY SIT DOWN AND THEY PRESENT THEIR DEMANDS TO THE COMPANY. THE COMPANY MUST BARGAIN IN GOOD FAITH, BUT BY LAW THE COMPANY CAN REFUSE TO AGREE TO ANY UNION DEMAND THAT IT DOES NOT FEEL IS IN ITS BEST INTEREST.

THE UNION LIKES TO PRETEND THAT IT IS LIKE SANTA CLAUS AND THAT IT CAN GIVE YOU WHATEVER YOU WANT. IF THE UNION REALLY WERE SANTA CLAUS, EVERYONE WOULD BE IN A UNION. THE UNION IS NOT SANTA CLAUS. THEY CANNOT GIVE YOU

ANYTHING UNLESS THE COMPANY AGREES. MANY UNIONS ARE IN BIG FINANCIAL TROUBLE. THE MACHINIST UNION IS IN TOUGH SHAPE-THEY NEED NEW MEMBERS BADLY.

I'M GOING TO BE DISCUSSING A FEW COURT CASES. THESE ARE ACTUAL COURT CASES, AND THEY WILL HELP YOU UNDERSTAND THE LEGAL RIGHTS OF THE COMPANY.

THE FIRST CASE IS <u>NLRB V. TOMCO COMMUNICATIONS</u>.

LET ME READ FROM THIS CASE:

UNDER SECTION 8(D) OF THE NATIONAL LABOR RELATIONS ACT THE COMPANY WAS TO BARGAIN ON THESE MATTERS IN GOOD FAITH BUT IT WAS NOT REQUIRED TO AGREE TO THE UNION'S PROPOSALS OR TO MAKE CONCESSIONS... THE RIGHT TO UNION REPRESENTATION UNDER THE ACT DOES NOT IMPLY THE RIGHT TO A BETTER DEAL. THE

PROPER ROLE OF THE BOARD IS TO WATCH
OVER THE PROCESS, NOT GUARANTEE THE
RESULTS OF COLLECTIVE BARGAINING.

THE NEXT THING THAT YOU NEED TO UNDERSTAND IS THAT IF A UNION IS EVER VOTED IN EVERYTHING YOU NOW HAVE GOES TO THE BARGAINING TABLE AND IS SUBJECT TO THE GIVE AND TAKE OF NEGOTIATIONS. YOU CAN END UP WITH MORE OR YOU CAN END UP WITH LESS, OR EVERYTHING CAN REMAIN THE SAME. YOU MAY END UP WITH A CONTRACT WHICH HELPS ONE GROUP OF EMPLOYEES BUT HURTS ANOTHER. NO ONE KNOWS WHAT YOU'LL END UP WITH AFTER NEGOTIATIONS. ONCE AGAIN, THIS IS THE LAW. LET ME QUOTE FROM A CASE INVOLVING BENDIX AND THE NATIONAL LABOR RELATIONS BOARD:

THE UNITED STATES GOVERNMENT AND THE NLRB DO NOT GUARANTEE EMPLOYEES THAT THE COLLECTIVE BARGAINING PROCESS STARTS FROM WHERE YOU PRESENTLY ARE IN

WAGES, INSURANCE AND ALL OTHER CONDITIONS OF EMPLOYMENT AND THAT THERE IS ONLY ONE WAY TO GO AND THAT IS UP. NOR DID THE BOARD GIVE ITS WORD TO THAT EFFECT. NOR DID THE GOVERNMENT GUARANTEE THAT YOU WILL LOSE NO BENEFITS EXCEPT THOSE YOU WISH TO CHANGE.

TO GIVE AN EXAMPLE OF WHAT CAN HAPPEN IN NEGOTIATIONS, THE FIRST THING THAT THE UNION WILL ASK FOR IS A DUES CHECK OFF SO THAT YOUR UNION DUES WILL AUTOMATICALLY BE PULLED OUT OF YOUR PAYCHECK AND SENT TO THE UNION.

IF THE UNION GETS IN, ALL YOUR WAGES AND BENEFITS WILL BE SUBJECT TO THE GIVE AND TAKE OF NEGOTIATIONS. IF THE UNION ASKS FOR DUES CHECK OFFS OR FOR SOME OTHER BENEFIT SUCH AS SICK PAY, IT IS PERFECTLY LEGAL FOR THE COMPANY TO PROPOSE THAT IN EXCHANGE FOR THE DUES CHECK OFF THAT

SOME BENEFITS YOU NOW HAVE, SUCH AS OUR 401K PROGRAM, MAY BE TRADED AWAY.

YOU NEED TO UNDERSTAND THAT WE HAVE TO BE COMPETITIVE WITH THE OTHER DEALERS IN TOWN. FRANKLY, WE BELIEVE OUR BENEFIT PACKAGE IS BETTER THAN MOST DEALERS AND OTHER EMPLOYERS IN THIS AREA. I KNOW THAT A FEW UNIONIZED DEALERS DOWN IN THE BAY AREA MAY PAY A BIT MORE AND HAVE SOME BETTER BENEFITS. WELL, YOU ARE PERFECTLY FREE TO COMMUTE TO OAKLAND. HOWEVER, OUR CUSTOMERS ARE UP HERE AND THEY DO NOT WANT TO COMMUTE TO OAKLAND AND THEY DO NOT WANT TO PAY OAKLAND LABOR CHARGES.

IF THE UNION COMES IN, ALL THAT YOU HAVE GOES TO THE BARGAINING TABLE. NOBODY KNOWS WHAT YOU WILL END UP WITH AFTER NEGOTIATIONS. ITS LIKE GOING TO THE CRAPS TABLES IN RENO. YOU CAN ROLL THE DICE AND YOU CAN BE A WINNER OR A REAL LOSER.

THE UNION IS REALLY HERE TO COLLECT DUES FROM YOUR PAYCHECK. THEIR ONLY SOURCE OF INCOME IS DUES, FINES, ASSESSMENTS AND INITIATIONS FEES. DOCUMENTS ON FILE WITH THE FEDERAL GOVERNMENT SHOW THAT FOR SOME UNIONS OUT OF EVERY DOLLAR THE UNION COLLECTS FROM DUES, 53¢ OF THAT DOLLAR GOES BACK INTO THE POCKETS OF THE UNION OFFICIALS IN TERMS OF SALARY AND EXPENSES. SO, WHEN THE UNION OFFICIAL IS TALKING TO YOU, REMEMBER HE IS LIKE ANY OTHER SALESMAN. HE IS SELLING THE UNION SO THAT HE CAN COLLECT DUES FROM YOUR PAYCHECK.

ONCE AGAIN, I WANT TO EMPHASIZE THAT THE COMPANY MUST BARGAIN IN GOOD FAITH, BUT THE COMPANY CANNOT BE FORCED TO AGREE TO SOMETHING THAT IT DOESN'T FEEL IS IN ITS BEST INTEREST. LET ME QUOTE FROM ANOTHER CASE CALLED NLRB V. AMERICAN AGGREGATE CO.:

NEITHER THE BOARD NOR COURT HAS ANY
POWER OR FUNCTION TO ORDER OR COMPEL
MANAGEMENT TO AGREE TO PARTICULAR

CLAUSES OR DEMANDS MERELY BECAUSE THE LABOR BOARD OR COURT MIGHT THINK THAT THE REFUSAL TO AGREE WAS UNREASONABLE.

THE UNION MAY TELL YOU THAT YOU CAN GO ON STRIKE TO GET SOMETHING FROM THE COMPANY. I'M SURE ALL OF YOU HAVE READ ABOUT THE BRUTAL AND SOMETIMES VIOLENT STRIKES WE'VE HAD IN OTHER PARTS OF THE COUNTRY. IN THIS ECONOMY I DON'T THINK ANYONE IN THIS ROOM WANTS TO BE A PART OF THAT KIND OF GAMBLE. YOU SHOULD BE AWARE THAT BY LAW THE COMPANY IS PERMITTED TO PERMANENTLY REPLACE YOU IF YOU GO OUT ON STRIKE. THAT MEANS THAT IF YOU GO OUT ON STRIKE AND THE STRIKE ENDS YOU WILL NOT GET YOUR JOB BACK IMMEDIATELY BECAUSE SOMEONE ELSE WILL HAVE YOUR JOB. THE COMPANY WILL HAVE TO PUT YOU ON A PREFERENTIAL HIRING LIST AS POSITIONS BECOME AVAILABLE. THERE ARE THOUSANDS OF UNION MEMBERS WHO LEARNED THIS LESSON THE HARD WAY.

WE JUST WANT TO MAKE SURE THAT YOU KNOW WHAT YOU'RE GETTING INTO. A LOT OF PEOPLE HAVE HAD TO LEARN THE HARD WAY ABOUT WHAT A UNION CAN AND CANNOT DO. I DON'T WANT THERE TO BE ANY CONFUSION IN YOUR MINDS AS TO WHAT CAN HAPPEN. I DON'T WANT YOU COMING TO ME LATER AND SAYING "WHY DIDN'T YOU TELL ME THIS?"

EVERY ORGANIZATION HAS PROBLEMS AT ONE TIME OR ANOTHER. BUT, I THINK WE'RE TOO SMALL AN ORGANIZATION FOR YOU TO NEED TO RUN OUT AND HIRE SOMEONE TO REPRESENT YOU. WE HAVE A STRONG GROUP OF PEOPLE AND I DON'T SEE WHY A UNION IS NECESSARY. WE WOULD LIKE THE OPPORTUNITY TO CONTINUE TO WORK WITH YOU WITHOUT THE UNION SO THAT YOU CAN SEE WHAT WE CAN ACCOMPLISH BY WORKING TOGETHER. YOU NEED TO FIND OUT WHAT IS GOING TO BE BEST FOR YOU.

PLEASE FIND OUT WHAT YOU ARE GETTING INTO BEFORE YOU BRING THE UNION IN HERE. BELIEVE ME I KNOW MY RIGHTS AND WHAT CAN HAPPEN WITH A UNION. I AM NOT SCARED ABOUT WHAT

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THE UNION CAN DO TO ME; I AM CONCERNED ABOUT WHAT THE UNION CAN DO TO YOU. THE ONLY REASON THEY ARE HERE IS THEY WANT AND DESPERATELY NEED YOUR MONEY -- AND THEY WILL DO AND TELL YOU ANYTHING TO GET IT.

NOW I WOULD BE HAPPY TO ANSWER ANY QUESTIONS OR CONCERNS YOU MIGHT HAVE.